

## Message Text

CONFIDENTIAL

PAGE 01 KABUL 00750 061159Z

43

ACTION AID-31

INFO OCT-01 NEA-11 ISO-00 IGA-02 EB-11 L-03 DRC-01 RSC-01

/061 W

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R 061115Z FEB 74

FM AMEMBASSY KABUL

TO SECSTATE WASHDC 6705

INFO AMEMBASSY ISLAMABAD

AMEMBASSY ANKARA

C O N F I D E N T I A L KABUL 0750

ISLAMABAD FOR HAGER; ANKARA FOR LUSTIG

E.O. 11652: GDS

TAGS: AF/US/EAID

SUBJECT: FERTILIZER HITS THE FAN

REF: A. STATE 022515; B. KABUL 0751

1. FEBRUARY 4 AMBASSADOR MET WITH DEPFONMIN ABDULLAH WHO HAD RETURNED JANUARY 30 FROM A TWO-WEEK TRIP. AMBASSADOR BROUGHT HIM UP TO DATE ON DISCUSSIONS DURING HIS ABSENCE BETWEEN USAID DIRECTOR BROWN AND MINAG BAKHTERI CONCERNING AFGHAN FERTILIZER COMPANY PROJECT (LOAN 306-H-017) (KABUL 593). SPECIFICALLY, AMBASSADOR INFORMED ABDULLAH THAT USG IS NO LONGER IN A POSITION TO FINANCE AFGHAN FERTILIZER IMPORTS FOR AT LEAST THE NEXT 12 TO 18 MONTHS. AMBASSADOR ALSO TOLD ABDULLAH THAT USG COULD CONTINUE TO FINANCE FROM LOAN 017 TECHNICAL ASSISTANCE FOR AFC PROVIDED THAT AFC CONTINUED AS AN EFFICIENT AND IDENTIFIABLE INSTITUTION FOR THE DISTRIBUTION OF IMPORTED AND DOMESTICALLY PRODUCED FERTILIZER. AMBASSADOR POINTED OUT THAT GOA, IN DECIDING WHETHER IT WISHES TECHNICAL ASSISTANCE TO CONTINUE, SHOULD BEAR IN MIND THAT IT WOULD BE PAYING FOR THE TECHNICAL ASSISTANCE (I.E., IT WOULD BE LOA -FINANCED).

2. ABDULLAH EXPRESSED CONSIDERABLE SURPRISE AND SHOCK AT INFORMATION THAT LOAN 017 NO LONGER AVAILABLE FOR AFGHAN FERTILIZER IMPORTS.

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PAGE 02 KABUL 00750 061159Z

HE HAD OBVIOUSLY NOT BEEN INFORMED OF THIS BY BAKHTERI, AND IT IS

NOT CLEAR WHETHER BAKHTERI HAD NOT UNDERSTOOD BROWN'S STATEMENTS AND LETTER TO THIS EFFECT ON JANUARY 27 OR HAD CHOSEN NOT TO UNDERSTAND. IN ANY CASE, ABDULLAH SAID THAT HE WOULD HAVE TO REPORT THIS BAD NEWS TO THE CABINET ON FEBRUARY 5. IN EXPRESSING HIS DISMAY, HE ASKED SEVERAL QUESTIONS ABOUT THE POSSIBLE FUTURE USES OF THE REMAINDER OF THE LOAN, AND THE AMBASSADOR MADE IT CLEAR THAT THE LOAN HAD BEEN INTENDED ONLY FOR THE FERTILIZER PROJECT AND COULD BE USED FOR NO OTHER PURPOSE.

3. AS THIS PROJECT HAS BEEN ONE OF THE MOST VISIBLE US-FINANCED PROJECTS IN AFGHANISTAN, AS IT HAS BEEN THE SUBJECT OF INNUMERABLE DISCUSSIONS AT HIGH LEVELS WITH THE GOA, AND AS ABDULLAH APPEARED TO BE GENUINELY CONCERNED ABOUT THE SIGNIFICANCE OF OUR INABILITY TO FINANCE ADDITIONAL FERTILIZER IMPORTS, THE AMBASSADOR ASSURED HIM THAT OUR DECISION IN NO WAY REFLECTS ANY CHANGE IN US POLICY TOWARD AFGHANISTAN BUT WAS SIMPLY DICTATED BY THE SITUATION OF THE WORLD FERTILIZER MARKET. AFTER SOME DISCUSSION, ABDULLAH ASSURED THE AMBASSADOR THAT HE FULLY UNDERSTOOD THIS POINT.

ELIOT

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FERTILIZERS, FOREIGN ASSISTANCE, DEVELOPMENT LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
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**Executive Order:** GS  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FERTILIZER HITS THE FAN  
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